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THE

Livestock

SITUATION

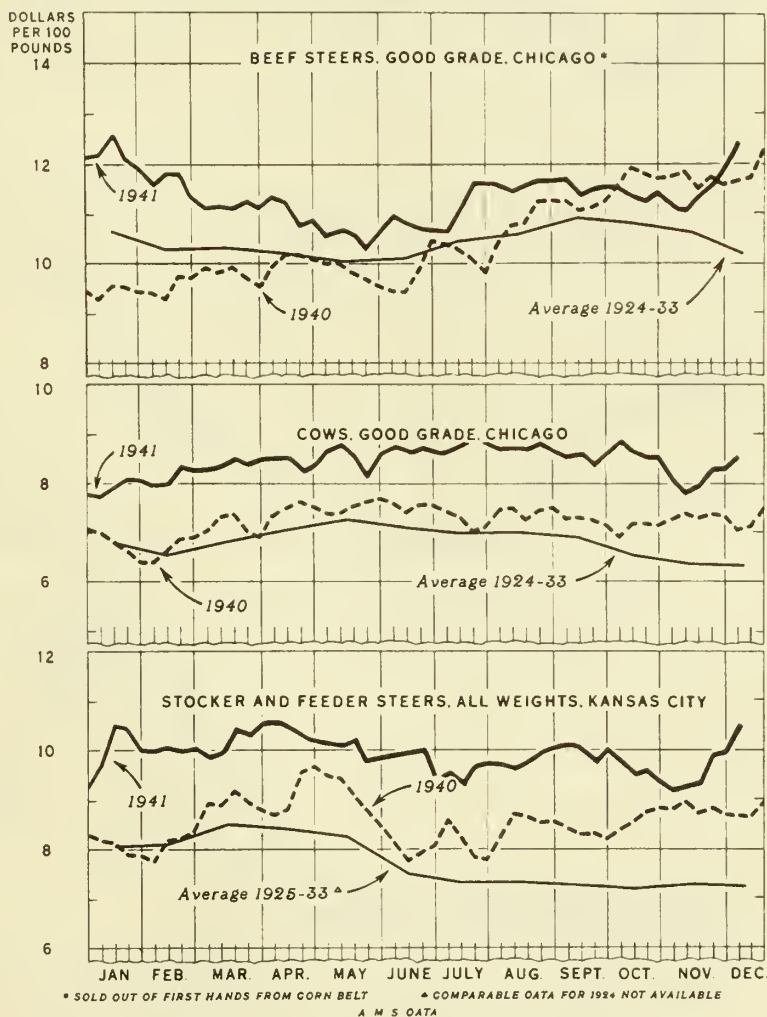
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LS-30

BAE

DECEMBER 1941

PRICES OF SLAUGHTER CATTLE AT CHICAGO AND OF STOCKER AND FEEDER STEERS AT KANSAS CITY, AVERAGE 1924-33, AND 1940-41

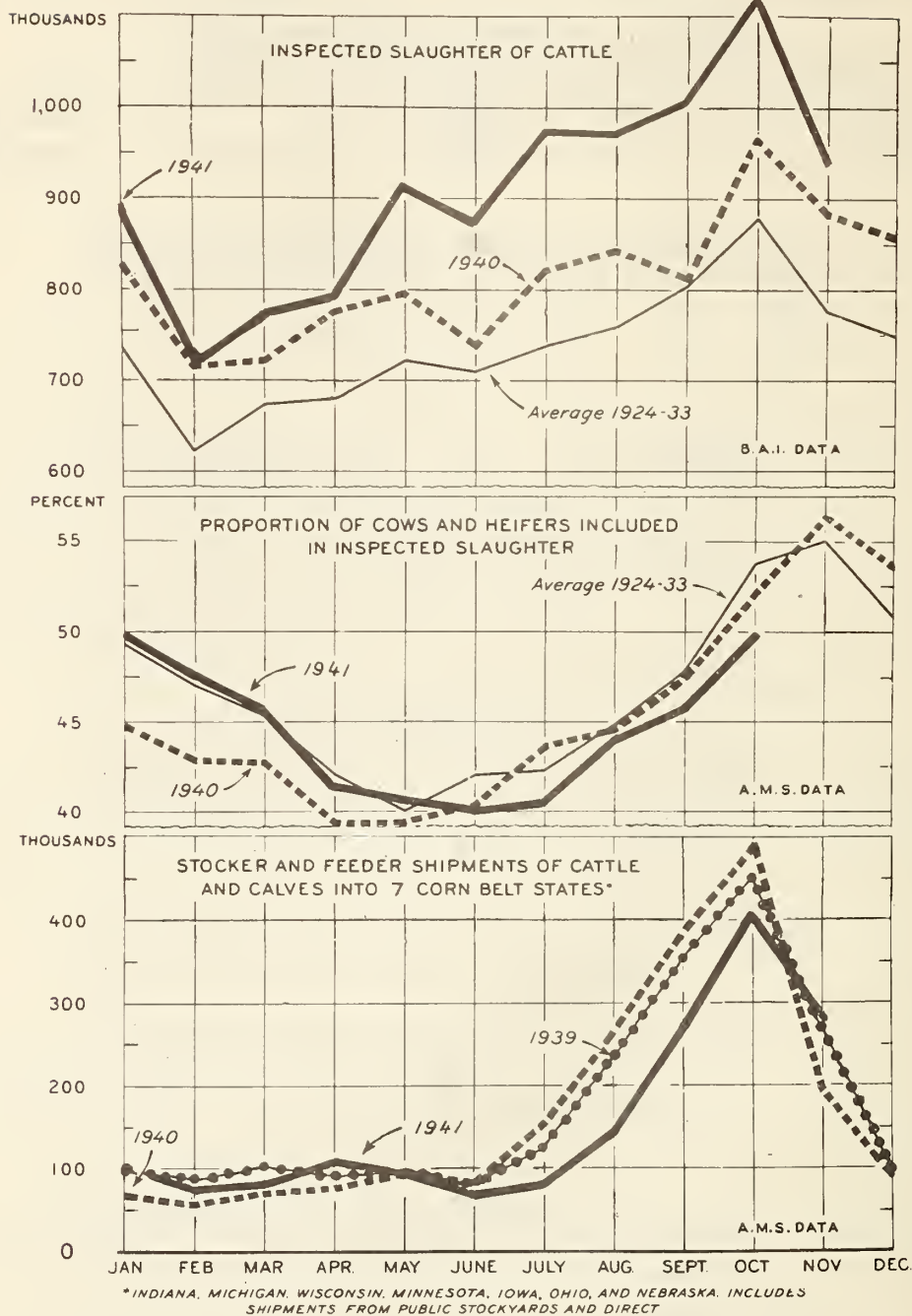


U. S. DEPARTMENT OF AGRICULTURE

NEG 34101 BUREAU OF AGRICULTURAL ECONOMICS

THE GENERAL LEVEL OF CATTLE PRICES HAS AVERAGED ABOUT \$1.00 HIGHER IN 1941 THAN IN 1940. BUT MARKET SUPPLIES OF WELL-FINISHED SLAUGHTER CATTLE HAVE BEEN EXCEPTIONALLY LARGE DURING THE PAST SUMMER AND FALL, AND PRICES OF CHOICE GRADE SLAUGHTER STEERS HAVE BEEN BELOW A YEAR EARLIER SINCE AUGUST, AND PRICES OF GOOD GRADE STEERS WERE BELOW A YEAR EARLIER IN OCTOBER AND NOVEMBER. PRICES OF THE LOWER GRADES OF SLAUGHTER CATTLE AND PRICES OF FEEDER CATTLE HAVE BEEN MATERIALLY HIGHER THAN A YEAR EARLIER THROUGHOUT 1941. PRICES OF ALL CATTLE HAVE STRENGTHENED SINCE MID-NOVEMBER.

CATTLE: INSPECTED SLAUGHTER, PROPORTION OF COWS AND HEIFERS SLAUGHTERED, AND STOCKER AND FEEDER SHIPMENTS INTO 7 CORN BELT STATES



U.S. DEPARTMENT OF AGRICULTURE

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FIGURE 1.- CATTLE SLAUGHTER IN THE FIRST 11 MONTHS OF 1941 TOTALLED ABOUT 12 PERCENT GREATER THAN IN THE SAME MONTHS OF 1940. A LARGE PART OF THE INCREASE OVER LAST YEAR WAS IN FED STEERS, AS IS INDICATED BY THE SMALLER PROPORTION OF COWS AND HEIFERS IN INSPECTED SLAUGHTER THIS SUMMER AND FALL THAN LAST. PURCHASES OF FEEDER CATTLE BY CORN BELT FARMERS THIS FALL HAVE BEEN CONSIDERABLY SMALLER THAN IN EACH OF THE PRECEDING 2 YEARS.

THE LIVESTOCK SITUATION

Summary

So far in the 1941-42 marketing year, which began October 1, marketings of hogs have been about 12 percent smaller than a year earlier. This, together with the heavier weights of hogs slaughtered, indicates that farmers are marketing their spring pig crop somewhat later this fall than they did in 1940 when the market movement of the spring pig crop was exceptionally early.

It is likely that the winter peak in hog marketings will be reached later this year than in 1940-41, and supplies of hogs are expected to be larger than a year earlier during the late winter and spring. Because of the expected increase in the 1941 fall pig crop and the probable increase in next year's spring crop, hog supplies during the summer and fall of 1942 also will be larger than in the corresponding months this year.

The movement of stocker and feeder cattle into the Corn Belt during November was larger than a year earlier. But the increase was not great enough to offset the decrease of the preceding 4 months, and indications still point to a reduction in cattle feeding operations during the 1941-42 feeding season. The movement of feeder cattle from the Western States was delayed this fall because of the unusually good range feed conditions. Purchases of feeder cattle by Corn Belt farmers also were discouraged by the relatively high prices of such cattle. It is likely that shipments of cattle to Corn Belt feed lots will be relatively large this winter, and the feeding of cattle raised in the Corn Belt may be on a larger scale than usual.

Developments in the lamb-feeding situation during November indicate that the total number of sheep and lambs fed during the 1941-42 feeding season will exceed the record large number fed last year. Increases in Colorado and in several Western Corn Belt States are expected to more than offset decreases in other regions. Because of relatively high prices for wool, a larger than usual proportion of the Texas lamb crop may be carried over for marketing next spring as shorn yearlings.

The condition of western ranges and of cattle and sheep on December 1 was reported to have been the best for that date in over 10 years. Winter feed supplies are ample, with surpluses in some sections. The calf crop is reported to be large and to have developed well.

Prices of slaughter lambs and of cattle have advanced fairly sharply since mid-November. The advance in cattle prices has been most pronounced for the upper grades, with prices of long-fed steers showing the most strength in several months. Prices of feeder cattle also have advanced during the past month, and they are still fairly high relative to prices of fat cattle. Hog prices advanced sharply in early December following the spread of war to the Pacific. The rise was due in part to a decrease in the rate of marketings.

Inspected slaughter of cattle, calves, and sheep and lambs, decreased seasonally in November; slaughter of hogs increased seasonally during the month.

-- December 18, 1941

REVIEW OF RECENT DEVELOPMENTS

HOGS

Hog Prices Advanced in Mid-December

Hog prices declined moderately in November and early December, but they advanced sharply in the second week of the month. The average price

of butcher hogs at Chicago for the week ended December 13 was \$10.55, compared with \$10.00 the preceding week and \$10.40 in the first week of November. A year ago, the average price at Chicago was \$6.20. The mid-December advance in hog prices was stimulated by the spread of the war to the Pacific, but it also reflected a temporary reduction in hog marketings.

Corn prices advanced several cents during the first 2 weeks of December. The rise was a little greater than that for hog prices, and the hog-corn price ratio has declined. In mid-December the ratio, based on Chicago average prices, was 13.7, about the lowest it has been since early last summer. This is still above the long-time average of 11.6, however, and favorable for feeding corn to hogs.

Hog Slaughter Increased Seasonally in November

The weekly rate of hog marketings has increased seasonally since last September, but the rate of increase has not been as great as it was last year when the market movement of the 1940 spring pig crop was exceptionally early. The number of hogs slaughtered under Federal inspection during November totaled 4,561,000 head, 10 percent more than in October, but 16 percent less than in November last year.

Average weights of hogs marketed this fall have been materially heavier than a year earlier, reflecting the favorable level of the hog-corn price ratio in recent months. The average weight of barrows and gilts at seven important markets in November was 222 pounds, compared with 214 pounds in November last year.

Although inspected hog slaughter during the past 2 months has averaged about 12 percent smaller than a year earlier, slaughter at interior Iowa and southern Minnesota packing plants has been running 3-4 percent larger. During the past 2 months, hog prices in the Western Corn Belt have averaged a little higher relative to Chicago prices than they did last fall.

Storage Stocks of Pork Increased Seasonally in November

Cold storage holdings of pork increased about 39 million pounds during November, raising total stocks on December 1 to a little over 350 million pounds. The November in-storage movement was only about one third as large as that of last year when hog slaughter and pork production during November were exceptionally large. The December 1 stocks this year were smaller than a year earlier, but they were larger than the 1935-39 average.

Cold storage holdings of lard were reduced slightly from November 1 to December 1. The in-storage season for lard frequently does not get under way until December. Lard stocks on December 1 were substantially smaller than the large holdings of a year earlier, but they were larger than the 1935-39 average for that date.

The cold storage holdings owned by the Department of Agriculture on December 1 included 9.6 million pounds of pork, but no lard.

Storage holdings of pork and lard on the first of the month, average 1934-35 to 1936-39, 1939-40, and current marketing year

Month	Pork			Lard			Rendered pork fat	
	Average:			Average:				
	1935-36:	1940-41:	1941-42:	1935-36:	1940-41:	1941-42:	1940-41:	1941-42:
	to			to				
	1939-40:			1939-40:				
	Million	Million	Million	Million	Million	Million	Million	Million
	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
Oct.	299.8	329.2	371.4	77.7	235.7	214.3	1/	3.7
Nov.	277.3	303.7	313.3	62.3	223.2	173.2	1/	4.3
Dec.	330.9	408.9	2/352.3	68.3	232.5	2/172.0	5.1	2/4.9
Jan.	458.4	656.2		104.3	237.0		7.1	
Feb.	568.7	739.9		138.4	299.6		7.2	
Mar.	600.5	791.9		156.0	317.4		9.2	
Apr.	585.2	785.4		162.7	310.4		8.3	
May	570.7	795.9		162.1	321.1		6.6	
June	533.5	798.5		168.2	366.1		7.8	
July	505.3	703.9		174.6	374.7		7.3	
Aug.	458.3	618.9		168.1	332.9		7.4	
Sept.	380.3	485.1		145.6	282.7		5.4	

1/ Not distinguished from lard prior to December 1940.

2/ Preliminary.

Government Purchases of Pork and Lard

Purchases of pork and lard made by the Department of Agriculture during the past 9 months (March 17-December 13) totaled a little over 792 million pounds, of which 242 million pounds were cured and frozen pork, 227 million pounds were canned pork, and 323 million pounds were lard. These quantities are equivalent to roughly 10 percent of the pork and 30 percent of the lard produced under Federal inspection during this period. In most recent weeks the rate of purchases has been greater than in the summer when hog marketings and pork production were seasonally small. As is shown in the accompanying table, purchases of canned pork have increased during the past 2 months relative to purchases of cured and frozen pork.

Purchases of pork and lard by the Department of Agriculture,
March-December 1941

Period	Pork		Lard	Total pork and lard
	Cured and	Canned		
	frozen			
	Pounds	Pounds	Pounds	Pounds
Month:				
Mar.:	---	---	37,507,200	37,507,200
Apr.:	30,458,500	15,005,884	31,258,400	76,722,784
May:	47,775,000	28,116,946	64,811,631	140,703,577
June:	10,085,000	6,604,283	19,442,364	36,131,672
July:	29,840,000	20,460,886	19,067,888	69,368,774
Aug.:	46,223,000	28,861,480	26,893,376	101,977,856
Sept.:	29,478,000	23,351,740	21,308,000	74,667,400
Oct.:	19,687,560	48,522,864	51,047,345	119,258,069
Nov.:	17,985,821	37,748,504	37,329,232	93,063,557
Week of:				
Dec. 6 ...:	10,052,500	13,543,636	14,679,616	38,275,752
13 ...:	240,000	4,575,303	---	4,815,303
Total ...:	241,825,381	227,321,536	323,345,372	792,492,289

Ceiling Prices Placed on Fats and Oils
by Office of Price Administration

Effective December 13, ceiling prices were placed on lard and other fats and oils (excluding butter) by the Office of Price Administration. The order forbids the sale, whether "spot" or "future," of raw, crude or refined fats and oils at prices above those prevailing on November 26; and applies to all stages of distribution excepting retail. The schedule of prices issued in the order is temporary, and upon completion of studies now under way by the Office of Price Administration it is planned to develop and issue a revised schedule of a more permanent nature.

The price ceilings established by the Office of Price Administration are designed chiefly to prevent price increases of an inflationary nature. The spread of the war to the Pacific has disrupted the trade in certain fats and oils, and this was reflected in a fairly sharp advance in futures prices for lard and cottonseed oil during the second week of December.

Cash prices for lard have advanced relative to live hog prices during the past 3 months, but the price of lard has not been high compared with other years. As is shown in the accompanying table, during the early 1920's, wholesale lard prices averaged considerably higher than the price of live hogs. But in the past few years lard prices have been depressed by the sharp reduction in the foreign demand for lard. Since last March, Government purchases of lard under the food for-defense program have given considerable support to lard prices.

Average prices of hogs and lard at Chicago for
specified periods, 1921-41

Period	Average price of hogs	Average wholesale price of lard, prime steam	Ratio of lard prices to hog prices
	Dollars	Dollars	
5-year average -			
1921-25	9.05	12.35	1.36
1926-30	10.25	12.05	1.18
1931-35	5.55	7.85	1.41
1936-40	8.05	8.50	1.06
Week ended -			
Dec. 14, 1940	6.08	4.36	.72
June 14, 1941	9.58	9.97	1.04
Daily -			
Nov. 26, 1941	9.91	9.85	.99
Dec. 8, 1941	10.14	10.55	1.04
9	10.51	10.38	.99
10	10.39	10.28	.99
11	10.66	10.55	.99
12	10.97	10.65	.97
13	10.82	9.85	.91
15	11.10	9.85	.89

CATTLE

Cattle Prices Advance in Late November
and Early December

Prices of slaughter cattle have advanced fairly sharply since mid-November, with prices of heavy fat cattle showing the most strength in several months. In mid-December prices of 1300-1500-pound steers were about as high as prices of medium and light weight cattle of comparable quality, whereas a few weeks ago they were around \$1.00 lower. This narrowing of the price spread between weight groups reflects the reduction in supplies of long-fed cattle in the past few weeks.

The spread between prices of the upper and lower grades of slaughter cattle has widened during the past few weeks, although the strong demand for replacement cattle by Corn Belt cattle feeders is a supporting factor to prices of the lower grades of slaughter steers. The average price of Good grade slaughter steers at Chicago for the week ended December 13 was \$12.45, nearly \$1.50 higher than a month earlier, and 80 cents higher than in the corresponding week of 1940.

Prices of feeder cattle also have advanced during the past few weeks, and they are still fairly high relative to prices of fat cattle. The average price of feeder steers at Kansas City for the week ended December 12 was \$10.50, compared with \$9.25 a month earlier and \$8.65 a year earlier.

Cattle Slaughter Reduced Sharply in November

Marketings of slaughter cattle decreased more sharply than usual during November, following the exceptionally large slaughter in October. The number of cattle slaughtered under Federal inspection during the month totaled 941,000 head, 16 percent less than a month earlier, but 6 percent more than a year earlier. So far in 1941 (January-November) inspected cattle slaughter has totaled about 12 percent more than a year earlier. A large part of the increase over last year has been in marketings of fed steers and heifers.

Inspected calf slaughter in November amounted to 476,000 head, 11 percent less than in October, but 3 percent more than in November last year. The January-November total of 5,004,000 head was 2 percent larger than a year earlier.

LAMBS

Lamb Prices Advanced in Late November and Early December

Lamb prices have advanced fairly sharply during the past few weeks, following a moderate decline in late October and early November. The average price of Good and Choice grade slaughter lambs at Chicago for the week ended December 13 of \$12.15 was about \$1.00 higher than a month earlier and \$2.75 higher than in mid-December last year.

Lamb prices fluctuated considerably during the past summer and fall, but they declined much less than they ordinarily do during the spring-lamb marketing season (May-November), and they averaged about \$1.50 higher than during the corresponding season of 1940. Prices of feeder lambs during the past several months have averaged about \$2.00 higher than in the fall of 1940.

Sheep and Lamb Slaughter Decreased Seasonally in November

Marketings of sheep and lambs were reduced seasonally in November. Inspected slaughter for the month of 1,424,000 head was 15 percent smaller than in October and 3 percent less than in November last year. During the first 5 months of this year's spring-lamb marketing season (May-September) inspected sheep and lamb slaughter totaled about 5 percent greater than a year earlier--the same as the estimated increase in the 1941 lamb crop. But in the past 2 months (October and November) slaughter has been 3 percent smaller than a year earlier. This decrease relative to a year earlier probably resulted from the tendency to delay marketings in the Range States this fall in order to take advantage of the good feed conditions and from wet weather in the Midwest which has retarded the development of lambs on feed.

CASH INCOME AND PRICES RECEIVED BY FARMERS FOR MEAT ANIMALS

Livestock prices declined again in November, lowering the index of prices received by farmers for meat animals to 151 percent of the 1909-14 average. This compares with 166 in September and 112 in November last year. The decline in livestock prices during October and November was most pronounced for hogs. The mid-November United States average price received by farmers for hogs of \$9.66 was nearly \$1.50 lower than in September. Prices of beef cattle, calves, and lambs declined 35 to 50 cents from mid-September to mid-November.

Cash farm income from meat animals in October totaled 384 million dollars. This was 140 million dollars more than in October last year. With cash income from meat animals in the first 10 months of 1941 now estimated at 2,647 million dollars, it is certain that the total for the year will exceed the earlier estimate of 3 billion dollars given in this report.

Cash income and prices received by farmers for meat animals,
specified months and periods, 1940-41

Item	Unit	1940		1941			
		Jan.-	Nov.	Jan.-	Sept.	Oct.	Nov.
		Oct.	Oct.	Oct.	Oct.	Oct.	Nov.
United States average price							
received by farmers for:	Dol. per:						
Hogs	cwt.	5.37	5.62	8.85	11.10	10.08	9.66
Beef cattle	"	7.40	7.88	8.72	9.36	9.18	8.85
Veal calves	"	8.79	9.06	10.24	11.26	11.14	10.79
Sheep	"	3.86	3.88	4.82	5.25	5.04	5.04
Lambs	"	7.83	7.78	9.11	9.84	9.66	9.48
Index of prices received by							
farmers for all meat animals:	1/	106	112	144	166	157	151
Cash farm income from meat							
animals	Mil.dol.:	1,958	244	2,647	333	2/384	

1/ Base period August 1909-July 1914 = 100. 2/ Preliminary.

OUTLOOK FOR DEMAND CONDITIONS 1/

The spread of war to the Western Hemisphere has not materially altered the outlook for a continuation of the favorable trend in conditions affecting the domestic demand for farm products. Speculative and storage demand may be stimulated for products unaffected by price ceilings, food-for-defense buying will be expanded, and the money income of consumers is expected to continue to increase.

The expanding war effort and the prospective accompanying rise in industrial activity, employment, and wages, are the principal factors in the favorable outlook for domestic consumer demand. In 1942 the proportion of manufactured goods for war and export probably will increase to at least

1/ From the summary of the December 1941 issue of The Demand and Price Situation.

a third of the total and may even be double the 20 percent required for defense and exports in 1941. In 1940 about 10 percent of factory production was for defense or export. Prospective 1942 needs of the British for United States farm products have been estimated at about double the 1941 shipments. The spread of hostilities will not reduce these needs and will increase them if transportation from more distant points becomes relatively more difficult.

Influences tending to reduce consumer demand will be a greater restriction of normal economic activities and rising taxes necessitated by war. The retarding effect of the former will be pronounced when the shift from a defense to a war economy is most active, probably early in 1942, but will be temporary; effects of the latter may arise more gradually and be progressive.

THE FEED SITUATION

Harvesting of the 1941 corn crop was delayed this fall by excessive rains in a large part of the Midwest. The crop was indicated November 1 to total about 2,675 million bushels, which is moderately larger than in any of the past several years, but the quality of this year's crop is not as good as that of the crops in the past 3 years.

The loan rate available on the 1941 corn crop will be several cents higher than the 1940 rate, and for the first time since the loan program has been in effect (since 1933) regional adjustments are to be made in the loan rate according to average differentials in corn prices among States and counties. The loan rate in the commercial area of the North Central States will range between 69 and 79 cents per bushel. In the commercial counties along the Atlantic Seaboard the rate will be 84 cents. This compares with the flat rate of 61 cents per bushel loaned on the 1940 crop.

OUTLOOK - HOGS

BACKGROUND.—Hog prices advanced sharply during the first 9 months of 1941. They have weakened seasonally since then, but the average price received by farmers for hogs during the year will be approximately \$9.00, compared with \$5.35 in 1940. Important factors responsible for the higher level of prices this year than last are: (1) the approximately 8-percent reduction in slaughter supplies from those of a year earlier; (2) improvement in consumer demand conditions resulting from the defense program; (3) large Government purchases of pork and lard under the Lend-Lease Act.

The outlook for hogs in 1942 has not changed materially during the past month. The principal points given in earlier issues of The Livestock Situation are outlined briefly below.

1. According to the June pig survey the 1941 spring pig crop totaled 50 million head, about the same number as was raised in 1940. It is likely that these figures will be revised somewhat in the report to be released this month (December 23) by the Agricultural Marketing Service. The

June report also showed a probable increase of 13 percent in the number of sows to farrow during the 1941 fall season. The December report will contain the first estimate of the number of pigs raised during the past fall. Marketings of packing sows in recent months and other information indicate that the 1941 fall pig crop will be at least 13 percent larger than the 1940 fall crop.

2. During the past several months the hog-corn price ratio has been favorable for increasing hog production. This, together with the agricultural campaign now under way to obtain increased marketings of livestock in 1942 is expected to result in a material increase in the number of sows bred to farrow next spring.
3. So far in the 1941-42 marketing year, which began October 1, marketings of hogs have totaled about 12 percent smaller than a year earlier. This, together with the heavier weights of hogs slaughtered, indicates that farmers are marketing their spring pig crop somewhat later this fall than they did in 1940 when the market movement of the spring crop was exceptionally early. It is likely that the winter peak in hog marketings will be reached later this year than in 1940-41, and supplies of hogs are expected to be larger than a year earlier during the late winter and spring. Because of the expected increase in the 1941 fall pig crop and the probable increase in next year's spring crop, hog supplies during the summer and fall of 1942 also will be larger than in the corresponding months this year.
4. Consumer demand conditions have improved materially during the past 12 months, and the demand for meats in 1942 is expected to be considerably stronger than in 1941. Large Government purchases of pork and lard under the food-for-defense program also will give strong support to hog prices. Although hog prices are not likely to advance as sharply as they did in the first 9 months of this year, the average price received by farmers for hogs in 1942 is expected to be higher than the average of approximately \$9.00 in 1941.
5. Total Government purchases of pork and lard under the food-for-defense program in 1942 probably will be equivalent to the products of about 12 million hogs, but supplies remaining for domestic consumption will not differ greatly from those of the current year.

CATTLE - OUTLOOK

BACKGROUND.- Marketings of feeder cattle ordinarily increase sharply in the late summer and fall months with the seasonal reduction in supplies of pasture and range forage. Large numbers of these cattle are purchased by Corn Belt feeders

for fattening on grain during the winter and spring months. Cattle feeding operations in the Corn Belt were reduced sharply by the 1934 and 1935 droughts. Since then cattle feeding has increased, and the number fed in the Corn Belt during the past season was among the largest in all years.

Cattle Feeding Situation

The movement of stocker and feeder cattle into the Corn Belt during November was larger than a year earlier, according to information released recently by the Agricultural Marketing Service. The increase was not great enough to offset the decrease of the preceding 4 months, however, and indications still point to a reduction in cattle feeding operations in the Corn Belt during the 1941-42 feeding season. The movement of feeder cattle from the Western States this fall was delayed because of the exceptionally good range feed conditions. Purchases of feeder cattle also were discouraged by the relatively high prices of such cattle. Prices of slaughter cattle have advanced during the past month, but prices of feeder cattle are still high relative to prices of fat cattle.

Shipments of stocker and feeder cattle into the Corn Belt States, inspected at stockyard markets during November, were about 30 percent larger than a year earlier and much above the November average for recent years. For the 5 months, July through November, such shipments were 17 percent smaller this year than last, but larger than in any other year since 1931.

Available records of direct shipments of stocker and feeder cattle into the Corn Belt in November show little change in the total from a year earlier and the total for the 5-month period was down in about the same proportion as were shipments from markets. Present indications are that cattle feeding this winter will be reduced in all the Corn Belt States east of the Missouri River, but will equal or exceed last year in the 3 States west of the river.

Information available in early December indicates that the total number of cattle fed in States outside the Corn Belt also will be smaller this season than last. There probably will be some decrease from a year earlier in the 11 Western States, but the number of cattle to be fed in Texas and Oklahoma is expected to show some increase this year, with feeding on wheat pastures and grain sorghums more than offsetting decreased feeding at cottonseed oil mills. Reduced shipments of feeder cattle into the Lancaster, Pennsylvania feeding district this fall point to a considerable reduction in feeding activities in that area this season.

Although shipments of feeder cattle to the Corn Belt so far this season have been smaller than a year earlier, total supplies of fed cattle in 1942 probably will be large compared with most other recent years except 1941. It is likely that shipments of cattle to Corn Belt feed lots will be relatively large this winter, and the feeding of cattle raised in the Corn Belt may be on a larger scale than usual. The proportion of well-finished cattle in slaughter supplies next year is likely to be smaller than it has been this year, however, and the spread between prices of the upper and lower grades of slaughter cattle will probably be wider.

Range Cattle Conditions

Cattle and calves in the Range States are going into the winter in the best condition in many years. Range feed conditions have been exceptionally good this year, and the large calf crop has developed well. Reports from the Range States indicate that the fall movement of cattle from that area has been smaller than during the fall of 1940, because of the large supplies of range forage and other feeds. There has been a rather large movement of cattle to Kansas wheat pastures. The movement of Texas cattle into the Plains section of Texas has been much larger this fall than last, but the movement of cattle out of that section has been smaller than a year earlier.

OUTLOOK - LAMBS

BACKGROUND.- Lamb feeding is carried on mostly from November to April, although feeding in other months has increased in recent years. About 50-60 percent of the lambs fed in the Corn Belt, but large numbers of lambs also are fed in the Western States, particularly Colorado. The volume of lamb feeding in any year depends chiefly upon the size of the lamb crop, the proportion of the western lambs reaching slaughter weights before the end of the fall marketing season, and upon the demand for feeder lambs. The 1941 lamb crop was 5 percent larger than that of 1940.

Lamb Feeding Situation

Developments in the lamb-feeding situation during November indicate that the total number of sheep and lambs fed during the 1941-42 feeding season will exceed the record large number fed last year, according to information released recently by the Agricultural Marketing Service. Increases in feeding operations in Colorado, Montana, Utah, and several Western Corn Belt States are expected to more than offset decreases in other regions.

Shipments of feeder lambs into the Corn Belt during November were larger than a year earlier. The number inspected at stockyard markets was about 25 percent larger, and there was also some increase in direct shipments. All of the increase was in the total going into the States west of the Mississippi River. Shipments inspected at markets during the 5 months July-November were about 5 percent larger than in the same months last year and were the largest for the period since 1931. Direct shipments probably were about the same as last year. The largest decreases in lamb feeding operations this year compared with last are expected to be in Iowa, Minnesota, and Ohio. The largest increase will be in Nebraska, where numbers fed this year will materially exceed those of last year in the Scottsbluff and Central Platte Valley areas and in the counties around Omaha. The movement of feeder lambs to Kansas wheat pastures this fall exceeds the very heavy movement of last fall and the total number fed in the State this season is expected to exceed that of a year earlier.

Records of the movement of feeder lambs into the various feeding areas of Colorado point to an increase of around 200,000 head or about 25 percent in the number fed this year compared with the relatively small number fed last year. Most of the increase is expected in the northern Colorado area, but with relatively large increases in the Arkansas and San Luis Valley and as large or larger in other areas. Feeding in Montana is reported to be exceeding the record number of a year ago and the number being fed in Utah is also larger. Present indications are that feeding operations this season will be on a somewhat reduced scale in all of the other Western States except possibly Idaho and Washington, where there may be little change.

The lamb feeding situation in Texas is still uncertain. The number of lambs on wheat pastures and to be grain fed is larger than a year ago and shipments during January and February 1942 may exceed those of a year earlier. But because of the relative high price of wool many of them may be carried over and shorn in the spring. The number of wether lambs still in Texas is much larger than a year ago, as shipments from the State between July 1 and December 1 this year were materially below those of last year, while the lamb crop was considerably larger. Shipments of feeder lambs and sheep from Texas in September and October this year were only a little more than half as large as those of last year.

November weather was generally favorable for lamb feeding. In the areas where the lambs had made poor gains up to the end of October because of continued wet weather and muddy fields and pastures, there was a rather marked improvement, but the poor start may delay somewhat the volume of marketings of slaughter lambs in December from what it would otherwise have been. It is likely that slaughter supplies of sheep and lambs during the late winter and early spring of 1942 will be a little larger than in those months of 1941.

Western Sheep Conditions

Sheep and lambs in the Western States on December 1 were reported to be in the best condition for that date since 1928. Weather and feed conditions have been favorable for sheep this fall, and there is a good supply of feed and water on the winter sheep ranges. An active demand for ewe lambs has been reported. Early lambing is well under way in Arizona and California with favorable feed conditions.

THE WOOL SITUATION 2/

On December 8 the Office of Price Administration announced that ceiling prices will be established for raw wool at approximately the levels that prevailed during the week ended December 6. For many grades of wool the December 6 prices at Boston were higher than at any time since the early

2/ Summary from the December issue of The Demand and Price Situation. For more detailed information, copies of The Wool Situation may be obtained upon request to The Division of Economic Information, Bureau of Agricultural Economics, Washington, D. C.

part of 1929. Prices at Boston fluctuated within narrow limits from November 1940 through August 1941 and then advanced steadily through November. Strengthening factors in the last few months have been the award of large Army orders for wool materials, a record mill consumption, and a seasonal decrease in wool supplies in the United States.

Mill consumption of apparel wool in October established a new record rate of 10,744,000 pounds a week, scoured basis. New "highs" in consumption of apparel wool have been established by mills in 8 of the last 12 months. Consumption on a greasy shorn and pulled basis in the last few months has been at the rate of more than a billion pounds a year compared with a 5-year average (1935-39) of about 575 million pounds. In view of the large backlog of unfilled orders held by mills, it is likely that the current rate of consumption will be maintained through the first half of 1942. Unfilled orders for wool cloth for civilian and Government use held by reporting mills at the end of September, plus Army orders scheduled for award in the final quarter of 1941, were equivalent to about 6 months of activity at the September rate of production.

Supplies of apparel wool on hand in the United States on a greasy shorn and pulled basis on November 1, excluding wool imported for Government "stockpile," were about 150 million pounds larger than a year earlier when supplies were relatively small. As no considerable quantities of domestic wool from the 1942 clip will be available for mill use before June or July, large quantities of wool may be imported from the 1941-42 clips of the Southern Hemisphere which are now available. Imports of apparel wool for consumption in the first 9 months of 1941 totaled 491 million pounds compared with 133 million pounds in the corresponding months last year. The greatest increase in imports was in fine wools. It is expected that large quantities of South American, Australian, and South African wools will be available, depending upon ocean shipping conditions.

Supplies of hogs and hog products, specified periods

Item	Unit	1941				Oct.-Sept.		
		Oct.	Sept.	Oct.	Average			
		1940			1928-29 to 1932-33	1938-39	1939-40	1940-41
Hog slaughter under								
Federal inspection	Thou-							
No. slaughtered <u>1/</u>	sands	4,483	2,920	4,157	46,363	39,720	47,651	47,999
Live weight:								
Average	Lb.	225	245	234	231	234	234	240
Total	Mil.lb.	1,003	715	973	10,723	9,311	11,142	11,402
Total dressed wt.	" "	747	534	725	8,069	6,975	8,303	8,544
Yield of lard per								
100 lb. live wt.								
of hogs	Lb.	11.4	12.9	13.1	15.2	2/ 12.8	2/ 13.2	13.3
Lard production <u>3/</u>	Mil.lb.	115	92	127	1,530	1,187	2/ 1,435	1,509
Exports: <u>4/</u>								
Pork	" "	4	30		211	125	115	137
Lard	" "	10	47		657	270	232	284
Imports of pork <u>4/</u>	" "	5/	5/		6	50	7	13
Proportion of sows								
in inspected								
slaughter <u>6/</u>	Pct.	50.2	53.8	50.9	51.2	49.3	50.0	50.1

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry. 2/ Revised figures based on the amount of lard rendered in federally inspected plants as reported by the Bureau of Animal Industry.
3/ Includes rendered pork fat. 4/ United States Department of Commerce. Pork includes bacon, hams, and shoulders, and fresh, canned, and pickled pork. Lard includes neutral lard. 5/ Less than 500,000 pounds. 6/ Includes salts.

Prices of hogs and hog products, specified periods

Item	Unit	1941				Oct.-Sept.		
		Nov.	Oct.	Nov.	Average			Oct.-
		1940			1928-29 to 1932-33	1939-40	1940-41	Nov.
Av. price, all purchases:	Dol. per:							
Seven markets	100 lb.	5.39	10.26	10.04	1/	5.54	8.32	10.15
Chicago	" "	6.11	10.41	10.16	6.99	5.69	8.44	10.29
Av. price of barrows and								
gilts, Chicago	" "	6.16	10.53	10.22	1/	5.86	8.62	10.43
Av. price of No. 3 Yellow	Ct. per:							
corn, Chicago	bu.	64	70	71	62	60	68	71
Hog-corn price ratio <u>2/</u>								
Chicago	Bu.	9.5	15.0	14.4	11.6	9.6	12.2	14.7
N. Central States	"	10.4	16.5	16.0	12.9	10.6	13.6	16.3
Proportion of packing sows:								
in total necker & shipper:								
purchases, 7 markets <u>3/</u> ...	Pct.	7.0	14.0	8.0	1/	12.0	12.0	11.0
Av. weight at 7 markets	Lb.	226	239	236	1/	244	247	

Compiled from reports of Agricultural Marketing Service.

1/ Not available. 2/ Number of bushels of corn equivalent in value to 100 pounds of live hogs. 3/ Monthly figures computed from weekly averages.

Slaughter and market supplies of cattle and calves, specified periods

Item	Unit	Year			Month		
		Average:			1940		
		1924-33:			Oct.:	Nov.:	1941
			1940		Oct.:	Nov.:	Sept.:
					Oct.:	Nov.:	Oct.:
							Nov.:
Slaughter under Federal in- spection:							
Number slaughtered:	Thou-						
Cattle 1/	sands	8,850	9,756	968	884	1,004	1,119
Calves 1/	"	4,819	5,359	507	462	447	536
Cows and heifers 2/	"	4,181	4,481	504	497	459	551
Steers 2/	"	4,340	4,866	422	352	496	512
Average live weight:							
Cattle	Pounds	953	940	931	927	955	956
Calves	"	176	191	213	204	221	220
Total dressed weight:							
Cattle	Mil.lb.	4,532	4,971	473	432	525	578
Calves	" "	487	568	59	51	56	65
Inspected shipments: 1/	Thou-						
Feeder cattle and calves	sands	2,894	3,162	633	344	420	566
Imports:							
Cattle 3/	"	253	644	64	60	35	
Canned beef 4/	Mil.lb.	5/ 36	61	3	3	16	

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry. 2/ Also included in cattle slaughter. 3/ United States Department of Commerce. General imports prior to 1934; beginning January 1, 1934, imports for consumption. 4/ United States Department of Commerce. Imports for consumption. 5/ Figures include "other canned meats" prior to 1929.

Price per 100 pounds of cattle and calves, November 1941, with comparisons

Item	: Nov. : : average: : : 1924-33:	: Nov. : : 1939 : : Dollars	: Nov. : : 1940 : : Dollars	1941		
				Sept.:	Oct.:	Nov.:
				Dollars	Dollars	Dollars
Beef steers sold out of first hands at Chicago:						
Choice and Prime	12.18	10.24	13.59	12.02	11.88	11.95
Good	10.62	9.52	11.73	11.56	11.36	11.24
Medium	8.77	8.59	9.45	10.38	10.32	10.22
Common	7.05	7.30	7.49	8.40	8.64	8.85
All grades	2.94	9.63	12.06	11.73	11.55	11.40
Cows, Chicago:						
Good	1/ 6.35	6.79	7.32	8.51	8.61	8.04
Cutter and Common, and Canner	2/ 3.72	4.64	5.04	6.02	6.13	5.70
Vealers, Chicago:						
Good and Choice	9.87	9.91	10.52	13.65	13.41	12.28
Stocker and feeder steers, Kansas City:						
Average price all weights	3/ 7.26	7.95	8.81	9.98	9.53	9.34
Average price paid by packers:						
All cattle	6.66	7.28	7.80	9.46	9.01	
Steers	4/ 9.05	10.30	11.01	10.87		
Calves	7.84	7.66	8.00	10.63	10.04	

Compiled from reports of Agricultural Marketing Service.

1/ Good and Choice, 1924-27. 2/ Canner and Cutter, 1924-June 1926; Low Cutter and Cutter July 1926-June 1939. 3/ Average 1925-33. 4/ Not available.

Supplies of sheep and lambs, specified periods

Item	Unit	Year		Month					
		Av. :	Av. :	1940		1941			
		1924-33	1940	Oct.	Nov.	Oct.	Nov.	Sept.	Oct.
Slaughter under Federal inspection:									
Sheep and lambs:									
Number slaughter-	Thou-								
ed 1/	sands:	14,737	17,351	1,417	1,184	1,734	1,462	1,567	1,682
Average live weight	Lb. :	81	86	80	82	86	88	85	85
Average dressed weight	" :	39	41	38	39	40	41	40	40
Total dressed weight	Mil. :								
weight	lb. :	569	702	54	46	70	59	63	67
Lambs and yearlings:	Thou-								
Number slaughtered:	sands:	13,678	16,253	1,314	1,096	1,591	1,363	1,441	1,555
Percentage of total:									
sheep and lambs	Pct.:	92.8	93.7	92.7	92.6	91.8	93.2	91.9	92.3

Compiled from reports of Agricultural Marketing Service, except as specified.
1/ Bureau of Animal Industry.

Prices per 100 pounds of sheep and lambs, by months,
September-November 1939-41

Item	1939			1940			1941		
	Sept.	Oct.	Nov.	Sept.	Oct.	Nov.	Sept.	Oct.	Nov.
Slaughter lambs:	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Chicago -									
Good and choice 1/	9.73	9.52	9.25	9.14	9.34	9.49	11.93	11.63	11.31
Slaughter ewes:									
Chicago -									
Common and medium	2.81	2.80	2.86	2.38	2.92	3.26	3.64	3.89	4.15
Feeding lambs, Omaha:									
Good and choice	8.33	8.50	8.41	8.55	8.73	8.62	11.08	10.88	10.34
Average price paid by packers:									
Sheep and lambs	8.42	8.23	8.26	8.30	8.29	8.48	10.57	10.35	

Compiled from reports of Agricultural Marketing Service.

1/ Lots averaging within top half of good grade spring lambs.

Index numbers of income of industrial workers, and cash
income from meat animals, specified periods

Item	Calendar year			Oct.		1941		
	1938	1939	1940	1940	1940	Sept.	Oct.	
Income of industrial workers (1924-29 = 100)	73	1/ 84	1/ 95	1/ 101	1/ 142	2/ 142		
Cash farm income from meat animals (1924-29 = 100)	78	81	1/ 85	1/ 94.5	1/ 129	2/ 130		

1/ Revised.
2/ Preliminary.

